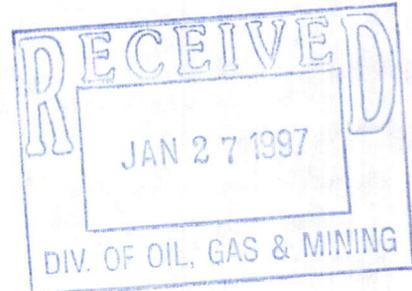


STATE OF UTAH  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

1594 West North Temple Suite 1210  
PO Box 145801  
Salt Lake City, Utah 84114-5801  
Telephone: (801) 538-5291  
Fax: (801) 359-3940



ANNUAL REPORT OF MINING OPERATIONS

The informational requirements of this form are based on provisions of the Mined Land Reclamation Act, Title 40-8, Utah Code Annotated 1953, as amended, and the General Rules as promulgated under the Utah Minerals Regulatory Program. An operator conducting mining operations under a Notice of Intention must file an annual operations and progress report (FORM MR-AR) with the Division.

I. General Information

1. Report Time Period: From (mo./yr.) 1/96 To (mo./yr.) 12/96
2. DOGM File Number (Mine No): M / 045 022
3. Mine Name: Knolls Solar Ponds
4. Mineral(s) Mined (or permitted to mine): Magnesium Chloride Brine
5. Type of mine  Surface Mine or  Underground Mine
6. Legal Description (Location of Lands Affected):  
     1/4,      1/4, Section     , Township     , Range       
     1/4,      1/4, Section     , Township     , Range       
     1/4,      1/4, Section     , Township     , Range
7. Name of Operator or Company: Magnesium Corporation of America
8. Permanent Street Address: 238 North 2200 West  
City, State, Zip: Salt Lake City, Utah 84116  
Phone: (801) 532-2043
9. Company Representative (or designated operator):  
Name: Lee R. Brown  
Title: Vice President  
Business Address: 238 North 2200 West  
City, State, Zip: Salt Lake City, Utah 84116  
Phone: (801) 532-2043

Please check if any of the above information has changed since previous year.

II. Mining and Reclamation

1. Was the mine active during the past year? Yes  No
2. If active, how much ore or mineral was mined? 6.26 x 10<sup>9</sup> gallons

3. How much additional acreage was disturbed during the past year? None
4. Briefly describe any new or additional surface disturbances that occurred during the past year. This description should include the type of work performed, and volume of material moved.

None

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5. How much acreage was reclaimed during the past year? N/A

6. Briefly describe the reclamation work performed during the past year. This description should include methods employed, and an evaluation of the results.

N/A

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7. What is the total disturbed acreage at years end? N/A

8. Briefly summarize any mining and/or reclamation plans for the upcoming year.

Mine approximately the same volume of brine as in 1996.

No reclamation required.

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**NOTE:** Section III., "Additional Information" applies only to large mining operations.

III. Additional Information

1. An updated surface facilities map should be attached if there have been significant changes since the previous map was submitted.
2. Any monitoring results or other reports that are required under the terms of the approved notice of intention should also be attached.

IV. Signature Requirement

I hereby certify that the foregoing is true and correct.

Name (Typed or Print):

Lee R. Brown

Title of Operator:

Vice President

Signature of Operator:

*Lee R. Brown*

Date:

1/23/97



Magnesium Corporation of America  
238 North 2200 West, Salt Lake City, Utah 84116  
(801) 532-2043, Fax (801) 534-1407

1998

January 26, 1998

D. Wayne Hedberg  
Permit Supervisor/Minerals Reclamation Program  
State of Utah  
Department of Natural Resources  
Division of Oil, Gas and Mining  
1594 West North Temple, Suite 1210  
P.O. Box 145801  
Salt Lake City, Utah 84114-5801

Re: Annual Report for the Year 1997

Dear Mr. Hedberg,

Enclosed are the Annual Reports for the Year 1997 for the mines referenced below.

<u>Mine No.</u>	<u>Mine Name</u>
M/045/008	Rowley Magnesium Facility
M/045/022	Knolls Solar Ponds

If you have any questions please feel free to contact me at 801-532-1522 ext. 259.

Sincerely,

G.T. Tripp  
Operations Manager

scg

enclosure

cc: L.R. Brown, MagCorp  
D.O. Silva, MagCorp

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